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# Minutes

## Board of Natural Resources

March 1, 2005  
Natural Resources Building, Olympia, Washington

### BOARD MEMBERS PRESENT

Doug Sutherland, Commissioner of Public Lands

Terry Bergeson, Superintendent of Public Instruction

Bob Nichols for Governor Christine Gregoire

Ted Anderson, Commissioner, Skagit County

R. James Cook, Interim Dean, Washington State University, College of Agricultural, Human, and Natural Resource Sciences

### BOARD MEMBERS ABSENT

Bruce Bare, Dean, University of Washington, College of Forest Resources

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### CALL TO ORDER

Chair Sutherland called the meeting to order at 9:05 a.m. on, March 1, 2005, in Room 172 of the Natural Resources Building.

### APPROVAL OF MINUTES

MOTION: Jim Cook moved to approve the February 1, 2005, Board of Natural Resources Meeting Minutes.

SECOND: Bob Nichols seconded.

ACTION: Motion passed unanimously.

### PUBLIC COMMENT FOR ACTION ITEMS

#### Richard Tuthill - Public Citizen

Mr. Tuthill expressed his concern regarding timber companies clear-cutting the land and suggested that the companies allow as much standing trees as possible for future harvest on the properties acquired.

#### Wayne Marion - Rocky Mountain Elk Foundation (RMEF)

Mr. Marion expressed his organization's support for the Ahtanum Land Exchange. He noted that RMEF assisted DNR in the appraisal and valuation process by providing the Department with funds. He stated that RMEF had recently approved the Eastern Cascade Initiative that would provide fundraising and project emphasis on a several county area, which would include the Ahtanum area. He discussed wildlife habitat and expressed his concern that human development in that area could result in the loss of habitat quality. He concluded by saying that the "blocking up" of the "checkerboard" public/private ownership makes good sense from a management and habitat protection perspective. He encouraged the Board to approve the Ahtanum Land Exchange.

Ms. Bergeson asked about the approval of the Eastern Cascade Initiative.

Mr. Marion explained that the initiative would include an area from Wenatchee south, to the Yakima Indian Reservation, on the Eastside. He explained that the projects would mainly be acquisitions and conservation easements, intended to clear up the “checkerboard” issue and to help out with wildlife conservation.

## **LAND TRANSACTIONS (Action Item)**

Kit Metlen, Asset Management and Protection Division Manager, presented. He began the presentation by providing a context to the three proposals being brought before the Board. He then introduced George Shelton, Assistant Manager of Southeast Region, saying that Mr. Shelton has been with the Department for thirty years and has been the Assistant Manager in Southeast region for the last thirteen years. He noted that Mr. Shelton was one of the primary leads of the amendment of the HCP in Klickitat County.

Mr. Shelton explained that the Department amended the HCP to fit the ground and to allow for management through vegetative series.

Ms. Bergeson wondered what “series” meant.

Mr. Shelton explained that it’s tied to the physical attributes on the ground, which would determine the primary tree species that could be grown.

Mr. Metlen introduced Bob Winslow saying that he has been with the Department twenty years, and with the transactions group for four years.

Mr. Metlen stated that in the 03-05 Biennium, through sales, transfers, trespass, purchases and small exchanges (49 in all), DNR has moved 11,000 acres worth \$57 million dollars for the trusts. He stated that if the proposed Ahtanum Land Exchange were successful it would double the acreage and increase the dollar amount to the trusts to \$88 million dollars. He said the exchanges create scales of efficiencies with acreage, lower transaction costs, and incremental gains. He talked about the importance of partnerships and how it can assist in reducing transaction costs. He mentioned biodiversity pathways and landscape management for fire, insect, disease, income, habitat, or recreation as DNR moves into the larger blocks.

Mr. Nichols asked if through the above-mentioned land sales the trusts increased their value.

Mr. Metlen said no, those transfers and sales were in terms of market value, not an increase on asset value returns.

Mr. Nichols asked if the scales of efficiencies would result in decreased management costs for the Department, benefiting the beneficiaries with increased net returns.

Mr. Metlen said absolutely.

Mr. Metlen said the exchanges do have specific requirements including the enabling act and RCW’s. The property has to be of equal value and as close as possible in amount of acreage; a third party appraiser assists in achieving this. He noted that the RCW suggests that the Board determine that each proposal is in the interest of the trust.

Mr. Cook wanted to know how DNR benefits from export value. He asked if it meant that DNR could gain the value of the timber based on its export value because DNR would not be selling it.

Mr. Metlen said that was correct, DNR gets credit for the value in the exchange process.

Mr. Metlen moved on to talk about strategies mentioning that three years ago Bonnie Bunning brought forth a concept of a large Eastside exchange where approximately half a million acres out of the 1.4 acres could potentially be better positioned for reduced costs and increased net returns. He then listed some of the characteristics of the Eastern Washington Transactions Vision:

- Reposition assets in core business
- Block up when prudent
- Diversify assets to improve returns for trusts
- Enhance other values such as: wildlife, HCP management, water quality, fire management, insect and disease control
- Ahtanum would be the first of several Eastern Washington transactions

He explained that the intradepartmental exchanges are necessary to allow DNR to keep state forestlands within the County in which they originated. He brought the Board's attention to the State Lands map saying that on the Westside, since 1957, DNR has been blocking up and creating defensible landscapes; because of that the Department has enhanced trust benefits. He explained that the three proposals being brought forward today are the beginning of a concerted Eastside enhancement of trust assets.

Mr. Anderson asked Mr. Metlen if he had an estimate on savings to the Department by managing consolidated blocks versus the checkerboard parcels.

Mr. Shelton explained that the ability to manage under blocked management versus the checkerboard ownership is tremendous. He explained that the Department's goals, as far as forest practices rules and the HCP, couldn't be met if DNR could only control every other mile of road or stream. The cost of doing business that way is huge and the inability to manage the trust asset is an even bigger cost. He added that blocked up ownership is the key to managing Eastern Washington forests.

Mr. Shelton pointed to a map showing the Ahtanum area nestled between the Yakima Indian Reservation and Forest Service Land. He explained that DNR's ownership in the Ahtanum block is currently around 50,000 acres scattered in a checkerboard pattern. He talked about the forest health issues that Eastern Washington has had to face; too many trees and not the right kind of trees. He stated that it wouldn't be a tough solution to fix if the focus were on the cause instead of the symptoms. He talked about how the Eastside has lower volume per acre, longer rotations, and in some cases higher logging costs; region staff have been aggressively looking at ways to change that around. He noted that by working with Jon Tweedale in the last few years they have lowered the management costs from \$39 per thousand board feet to \$19 per thousand. The Klickitat County HCP was amended freeing up more land for active management. He commented that these achievements were made possible largely due to relationship building with the Yakama Nation, Department of Fish and Wildlife (DFW), U.S. Forest Service (USFS), and DNR staff. He said that even though the partnerships have resulted in positive outcomes DNR is still coming up short due to the checkerboard ownership. He talked about the draft Asset Stewardship Plan that showed which parcels DNR wanted to block up and which ones they should move out of. He said the plan doesn't provide direction but does offer guidance so as opportunities arise DNR can move toward the vision in the plan. He stated that DNR would block up ownership on the Eastside of the Cascades and the Western end; shrub steppe would be transferred to Department of Fish and Wildlife in exchange.

Mr. Anderson asked if the parcels were zoned commercial.

Mr. Shelton explained that a majority of the forestlands were designated as long-term forest resources with a minimum zoning of 80 acres.

Mr. Shelton talked about trading out of the Columbia River Gorge scenic area at some future point in time because of the difficulty in managing that type of land. He talked about the Ahtanum area and explained that Elk Haven has already subdivided two sections into 80-acre lots, where once there was one owner there could potentially be eight in each one.

Mr. Anderson asked if those lots were in a fire district, and if not, how would the landowners obtain a permit.

Mr. Shelton said the lots were not in a fire district but one would cover that area.

Mr. Shelton said there were multiple organizations cooperating with the Ahtanum Exchange, including: Plum Creek, Elk Haven, DNR, and the Rocky Mountain Elk Foundation.

He then listed the overall benefits of the exchange:

- Consolidate ownership
- Address forest health, landscape sustainability, & HCP issues
- Increase in trust value
- Facilitate the marketing of forest products on state lands
- Increase in volume
- Protect existing assets
- Provide social benefits

Chair Sutherland excused himself at 9:50am.

#### Ahtanum - Intergrant #86-076025 (Handout 2)

Mr. Winslow began by giving a brief overview of the purpose of the Intradepartmental Exchange saying that it would consolidate and block up State Forest Land assets into areas suited for continued forest management, facilitate exchange of state trust assets, and assist in keeping state forest lands in the original county of origin.

Mr. Winslow presented the appraisal value as follows:

- State Forest Land trust in Skamania County; appraised value balanced within +1%; change of +\$1,000
- State Forest Land trust in Klickitat County; appraised value balanced within 1%; change of +\$3,000

#### Acreage summary

- State forestland trust in Skamania County has a net gain of 10 acres
- State Forest Land Trust in Klickitat County has a net gain of 252 acres

#### Trust Value

- State Forest Land trust in Skamania County has a net gain of \$9,000
- State Forest Land trust in Klickitat County has a net gain of \$1,275,000

\*Common school trust will subsequently gain in trust value in the Ahtanum area - Plum Creek and Ahtanum Elk Haven exchange will more than offset this inequity (total net Common School gain of \$390,000)

#### Intergrant - Mineral Rights

- All trusts will convey the mineral rights they currently possess
- Mineral potential is low

#### Public Comments Summary

Extensive outreach was performed for all three exchanges: Hundreds of letters were mailed to the public, there were several press releases, four workshops, three hearings, information posted on the DNR website, and postcards sent out.

#### Ahtanum - Plum Creek #86-074975 (Handout 2)

Mr. Winslow gave a brief overview regarding the benefits of the Plum Creek exchange saying that it would provide an increase in volume, consolidate ownership, provide an increase in trust value, protect existing assets, reposition lands into sustainable landscapes, and provide social benefits. He then presented the appraised value:

- Third party appraisal
- Common School appraised value balanced with a +3% change; +\$291,000
- Agriculture school appraised value is balanced with a +1% change; +\$17,000

#### Acreage Summary

Agriculture School trust has a net gain of 646 acres

Common School trust has a net gain of 7,818 acres

#### Trust Value

- 52% gain by Agricultural School; Net gain of \$230,000
- 36% gain by Common School; Transaction gain of \$1,347,000; \$63,000 positive net gain overall
- Equivalent mineral potential on lands but a net gain in mineral acreage

#### Public Comments Summary

- Positives for recreation opportunities and maintaining public access in Ahtanum area
- Wildlife habitat; both gains and losses
- Lessee impacts & existing easement impacts
- Domestic water supply
- Future threats; timber harvest & land conversion
- Archaeological
- Tax effects (positive)

Mr. Nichols asked what Plum Creek planned to do with their acquired land.

Mr. Winslow wasn't sure but assumed that they would probably undertake whichever activities are legally permissible for the parcels.

Mr. Nichols asked if there was any controversy with the lessee.

Mr. Winslow said no.

#### Ahtanum - Elk Haven #86-074974 (Handout 2)

Mr. Winslow gave a brief overview of the overall benefits:

- Consolidate ownership
- Increase in trust values
- Increase in acreage and volume
- Protect existing Common School assets
- Reposition lands into sustainable landscapes
- Provide social benefits

#### Appraised Value

- Common School appraised value balanced with a +3% change; +\$51,000
- Third party appraisal

#### Acreage Summary

- Common School trust has a net gain of 519 acres

#### Trust Value

- Common School has a net gain of \$327,000; this is a 91% gain in trust value
- Equivalent mineral potential but a net gain in mineral acreage

#### Public Comments Summary

- Positives for recreation opportunities and maintaining public access in Ahtanum area
- Wildlife habitat; both gains and losses
- Domestic water supplies
- Future threats; timber harvest and land conversion
- Archaeological
- Tax effects (positive)

Mr. Winslow recommended that the Board move forward with all three Ahtanum exchange proposals and resolutions as listed.

Ms. Bergeson asked what the specifics were with the individual owner who had an issue with Elk Haven.

Mr. Winslow explained that it was an ongoing trespass issue with several private landowners regarding a water rights issue that started years ago. He explained that the landowners would be working with Elk Haven to reach a mutual satisfactory arrangement.

Chair Sutherland returned to the meeting at 10:15am.

Break at 10:15am.

Reconvened at 10:30am.

MOTION: Dr. Bergeson moved to approve Resolution 1148.

SECOND: Commissioner Anderson seconded.

ACTION: Motion passed unanimously.

MOTION: Dr. Bergeson moved to approve Resolution 1149.

SECOND: Commissioner Anderson seconded.

ACTION: Motion passed unanimously.

MOTION: Dr. Bergeson moved to approve Resolution 1150.

SECOND: Commissioner Anderson seconded.

ACTION: Motion passed unanimously.

### **TIMBER SALES (Action Item)**

#### Proposed Timber Sales for April 2005 (Handout 3)

Jon Tweedale, Product Sales Assistant Manager, presented. He began by stating that Dr. Bare had requested a breakdown of sales ownership by trust and that the document had been included in their packets. He talked about the market and cited the following as reasons for the current upturn: U.S. residential construction increased by 14% in 2004; low interest rates; continued strength of the Canadian dollar against the U.S. dollar. He stated that the regions, especially the Northwest region, have an excess capacity of raw materials; he said that a lot of that volume moved into areas where there was adequate milling capacity including out of state. He commented that from a market standpoint it shows that if the out of state mills are willing to pay extra for the transport they may decide to move their operations to Washington State. He said one of the reasons this has occurred is due to the environmental and economic stability Washington has, relative to its peer States. He said that DNR has shown, through the Sustainable Harvest Calculation, their commitment to the industry and it has equated to additional projects of up to \$1 billion board feet of production reportedly moving into the State of Washington.

Mr. Anderson asked about Canada's request to the WTO for \$4.1 billion against U.S. duties on imports.

Mr. Tweedale responded that the money is just sitting in the bank waiting to be distributed. He said that Canada would like it to go back to the mills in Canada and the U.S. wants the money distributed to the harmed sawmills in the United States. He said that the WTO and the Federal Agencies would have to make that decision.

February 2005 sales results: 19 sales offered & 19 sold; 63.9 mmbf offered & 63.9 mmbf sold; \$15.9 million minimum offered & \$22 million sold; \$248/mbf offered & \$344/mbf sold; average number of bidders was 5.3; 38% above minimum bid.

He referenced a graph that showed cumulative volumes for Fiscal Year 05. He talked about carry over and explained that there would be 570 sold; he felt confident that DNR would sell 570 for FY05. He noted that the regions worked really hard to make that happen and wanted to recognize them for their hard work. He commented that the regions would bring volume forward from FY06 to achieve incremental value for the Board.

Chair Sutherland asked about the five no bid sales and wondered if they had been reintroduced.

Mr. Tweedale said most of them had been re-offered and sold and one remaining sale would be offered shortly.

Chair Sutherland asked about the cedar salvage sale noting that it had been offered twice. He reminded the Board that there had been testimony before the Board about the importance of Cedar Salvage sales and he wondered what the difficulty had been in selling them.

Mr. Tweedale said he didn't know for sure why the salvage didn't sell. He noted there had been interested parties and DNR had made the conditions easier for the buyer but it hadn't been successful. He said DNR staff would be working with private parties and researching the issue to find out how to better market the product.

Proposed April 2005 Board Sales: 16 sales with 73.9 (one contract harvest sale) mmbf; \$19.1 million minimum bid stumpage; average \$259/mbf stumpage.

MOTION: Jim Cook moved to approve the March 2005 Timber Sales.

SECOND: Dr. Bergeson seconded.

ACTION: Motion passed unanimously.

## **CHAIR REPORTS**

### Policy for Sustainable Forests

Bruce Mackey, Craig Partridge, & Clay Sprague came forward to continue their ongoing monthly presentation on the Policy for the Sustainable Forests Plan. Mr. Mackey talked about HB1360 the Ancestral Trees bill, saying that the committee is trying to come up with a definition that focuses on structure and is consistent with the HCP. He mentioned HB2573, which directs the Department to put together a definition of Old Growth using a distinguished panel of scientists. He said DNR is working on these two bills and trying to tie them together, the committee consists of Dr. Jerry Franklin, Dr. Tom Spees, Robert VanPelt Ph.D., and Paula Sweeden Ph.D. He said that DNR would be working closely with this group to define Old Growth for the Westside and the Eastside; more information would be brought to the Board as the project progresses.

Ms. Bergeson asked if the team would be done with their work by April 2005.

Mr. Mackey said he didn't think it would be completed but that he'd have a good sense of the criterion the panel is using, which would help inform the policy options being brought to the Board.

Clay Sprague, Project Manager, for the Development of Policy for Sustainable Forests, presented. He began by saying that his plan for today would be to review the changes made in the discussions and policy statements of the subjects discussed in February. He would also discuss eight more policy subjects; Wildlife Habitat, Local Economic Vitality, General Silvicultural Strategy, Roads, Forest Land Transactions, and Granting and Acquiring Rights of Way.

### February Policy Subjects Review

#### Watershed Systems

Mr. Sprague began by talking about watershed systems and discussed the changes that had been made resulting from suggestions by the Board. He said that the policy had been changed to add specificity to how the Department would analyze cumulative effects of Department activities and to develop mitigation strategies where necessary through a forestland planning process, moderate impacts on watershed systems by limiting the size of even age harvest units to 100 acres, and finally, the Department would participate in watershed analysis as defined by forest practice rules when it's initiated by other landowners or the state's forest practice program in watersheds that contain forested state trust lands.

Mr. Nichols asked what a forestland planning process was.

Mr. Sprague explained that it's a formalized process that would be talked about at the April meeting.

Mr. Nichols asked if there would be less even age harvests due to the density issues.

Mr. Mackey said because the SHC put more land on base there would be more variable density thinning.

### Riparian Conservation

Mr. Sprague said riparian management zone had been changed to riparian conservation; the two topics were combined.

### Cultural Resources



Mr. Sprague said there was very little change with this policy. He said that they retained the policy statement separately that says the Department would actively communicate and promote collaboration with the tribes on issues related to culturally significant areas. They retained the element of transferring out of trust status, those significant areas with compensation to the trust.

#### Aesthetics

Mr. Sprague said they changed the policy title from Aesthetics to Visual Management because it defines the policy better. He said they clarified the policy statement by defining the difference between local visual impacts versus regional.

Mr. Cook wanted to clarify what “mitigate” would mean.

Mr. Sprague stated that when the final policies are adopted the next step would be to review the existing procedures as well as the need for additional procedures to be in alignment with the policies that the Board adopted.

#### New Policy Topics

##### Wildlife Habitat (Errata Sheet #4)

Mr. Sprague stated that an important trust objective is the conservation of upland, riparian, and aquatic wildlife species, including fish and their habitats, species listed as threatened and endangered, and non-listed species.

The alternatives revolve around how wildlife objectives will be determined or set to guide management of forested state trust lands. The HCP provides wildlife objectives for 1.6 of the 2.1 million acres of forested state trust land. It not only set objectives for threatened and endangered species but also objectives related to avoidance of additional listing of species.

In meeting HCP objectives, habitat conditions for a range of native species and wildlife communities are provided over the long-term.

In addition to the HCP, wildlife objectives are set for the Department through a combination of state and federal law, voluntary agreements with other agencies and organizations, and Board policy.

Alternative 1 was put in place prior to the HCP and directed the Department to develop wildlife habitat objectives based on habitat availability and function, species status and species vulnerability. It also directed the Department to, in addition to complying with state and federal law, relate to T and E species, to voluntary participation in efforts to recover and restore T and E species when consistent with trust obligations.

Alternative 2 relies on a combination of compliance with state and federal law, implementation of the HCP, and voluntary participation and agreements related to both T and E species as well as unlisted species when consistent with trust obligations to set wildlife objectives. This alternative also directs the Department to provide habitats that contribute to sustaining native wildlife populations or communities.

Alternative 3 differs from alternative 2 by focusing the Department’s voluntary efforts on a broader ecosystem approach as is currently being utilized in the SHC, rather than a species by species approach. Conserving biodiversity promotes greater wildlife diversity over the long-term.

Mr. Nichols felt that paragraph three may be a bit of a contradiction; if it's good for sustainability then it should be done.

Mr. Anderson commented that the language in alternative three is unclear because to the public it implies that the Department is going to restore and recover species but the Department is actually recovering and restoring habitat. He felt that if this was in the policy it could hold DNR accountable for species recovery.

Chair Sutherland added that DNR does have the responsibility for some of the species. He said that during nesting and mating season closure of specific areas is part of the protection of those species so it's not just habitat that DNR is protecting.

Mr. Anderson said he wouldn't mind the policy stating that DNR would protect species; he just wanted the language to be clear.

Mr. Cook asked if they could combine the last two paragraphs.

Mr. Nichols said he is concerned about what sustainable forest management means and if it includes the broader areas of ecological notions. He said the policy should read that the Department would perform conservation efforts where necessary for overall forest health.

Mr. Partridge said that the word voluntary could be removed.

Mr. Partridge said that in the third paragraph the change would essentially shift from a species by species approach to a biodiversity approach, for species that are listed as threatened or endangered the Department has obligations under federal and state law to comply with a species approach.

Ms. Bergeson suggested that the policy should read that the Department would meet the species requirements and do some voluntary conservation and then shift the conservation efforts from a species by species approach to a biodiversity approach.

Mr. Mackey felt that the bottom paragraph should be the first paragraph because that is the crux of the policy.

Mr. Anderson said to include the protection aspect in the policy and discussion.

#### Local Economic Vitality (page 30)

Mr. Sprague stated that management of forested state trust lands to meet trust objectives provides social benefits to local and regional communities. A 1996 study by Deloitte and Touché investigated the extent that activities on Department-managed land contribute indirectly to the community and state through the creation of jobs, through the wages and salaries that are created by those jobs, and the state and local taxes associated with both commercial activities and from activities related to recreational, social, cultural and environmental activities on forested state trust lands.

He noted that this study identified 14,240 jobs and wages and that salaries and taxes of over \$270,000,000 were produced annually from activities on forested state trust lands.

Mr. Sprague then introduced the policies.

Alternative 1 provides no policy direction. Contribution to local economies as a result of land management activities is not a formal consideration by the Department, but happens coincidentally with management on behalf of the trust beneficiaries.

Alternative 2 directs the Department to actively work with and consider local economic interests when doing so is compatible with, or contributes to, attainment of trust objectives.

Alternative 3 recognizes the relationship between the Department's management activities and local economic vitality and directs the Department to consider that relationship and make decisions that support local economic vitality when it is compatible with or directly supports trust objectives.

Chair Sutherland pointed out that alternative one says it does not adequately meet objectives two and four.

Mr. Sprague said that objective two relates to balancing income with social, cultural, and environmental benefits; he felt that the policy didn't provide enough of the balance for cultural and social benefits. The assumption for objective four would if the Board decided to have a policy in this regard, it might promote more partnering opportunities with local economic interests than no policy; that's why the policy reads that way.

Ms. Bergeson wanted to have legal advice on this policy due to her concerns about the fiduciary responsibilities and how they could be impacted because there is no policy in place.

Chair Sutherland said he could see where her concern was.

Mr. Nichols pointed out a caveat in the policy where it reads, "When they are compatible with or directly support trust objectives".

Ms. Bergeson expressed her concern that not having a policy would put the Department at a disadvantage. She said she was not comfortable with this policy and would like some advice on the Board's fiduciary role.

The Board agreed that the policy language needed clarification regarding the Board's fiduciary responsibilities and that DNR staff should receive counsel from the AG's office as well.

Mr. Partridge agreed with the Board's suggestions.

#### General Silvicultural Strategy (page 32)

Mr. Sprague pointed out to the Board that this subject area had been part of the policies the Board had addressed as part of the western Washington Sustainable Harvest Calculation. Because the policy the Board adopted applied to western Washington only, it's been separated into two sections: Western and Eastern Washington.

For Western Washington, alternative 1 or the no-action is made up of the policy the Board adopted as part of the SHC and is shown on page 33, lines 26 through 43. In addition, three policies from the forest resource plan still apply, those are shown as a, b, and c, on pages 33 and 34. Those policies deal with Harvest and Reforestation Methods, Controlling Competing Vegetation and Fertilization, Thinning, and Pruning.

For Eastern Washington the no action alternative shown on page 35 and labeled A through E, consists of the same three existing policies in the Forest Resource Plan discussed for Western Washington and are shown as c, d, and e on page 35, but also include two additional forest resource plan policies, shown as a and b on page 35. These two policies were replaced for Western Washington by the Board's newly adopted sustainable harvest policy but were not replaced for Eastern Washington.

The Department's recommended alternative, shown on pages 34, and 35 and 36, would extend the Board's adopted silvicultural policy to Eastern Washington, and would expire current forest resource policies related to silviculture. In addition, under this alternative the policy statement related to "targeting 10 to 15 % of each Western Washington HCP Planning unit for old forests" shown on page 33, lines 38 through 43, is moved to the Older Forests and Old Growth Policy subject for discussion as part of that topic in April.

Mr. Sprague stated that the Department felt the recent adopted Board policy would provide the appropriate broad direction for the entire state, and set the context for how a variety of silvicultural tools would be used to achieve professional management of forestlands. As a result, DNR recommends expiring the other policies, as they are more procedural in nature, recognizing that at the time of adoption in 1992 the public had a high level of interest in use of forest chemicals.

#### Roads (Errata sheet #5)

Mr. Sprague stated that this subject area, and the alternatives, deal with the considerations that drive development and maintenance of roads on forested state trust lands; recognizing that roads are a trust asset, which also provide social benefits.

Alternative one directs the Department to plan, build, maintain, and abandon roads to meet management needs including multiple use and controls effects on the forest environment.

Alternative 2 emphasizes that roads should be planned, built, maintained and abandoned to meet trust objectives, including asset value enhancement. This alternative de-emphasizes multiple uses as a management objective, recognizing that the Department is still required to comply with the multiple use concept on the road system DNR develops, when it is compatible with trust requirements. This alternative, as well as the Department's recommended alternative, is closely related to the Public Access and Recreation policy subject area being brought to the Board in April.

This alternative also emphasizes that the Department will rely on compliance with the HCP, State Forest Practices Rules and SEPA to minimize adverse environmental impacts.

The Department's recommended alternative only differs from alternative 2 in further emphasizing the minimization of roads to the greatest extent possible while still meeting the needs of the trust beneficiaries.

Mr. Anderson pointed out that this policy would draw more public comment than the others. He expressed concern about whether or not this policy would affect wild land firefighting efforts.

Chair Sutherland said it would.

Mr. Partridge said it's up to the Board to choose the policy direction they'd like the Department to move toward.

Mr. Anderson asked how this would affect the partnerships between organizations such as the Rocky Mountain Elk Foundation.

Ms. Bergeson wanted to know why they dropped the first policy.

Mr. Sprague said they felt the issues in this policy would be covered by the alternatives being brought forward in April regarding public use and recreation.

Mr. Partridge said they might hold this policy until the Board has a discussion about it.

Mr. Mackey added that this whole discussion regarding public use would be discussed again in April when the public use policy is presented.

Mr. Sprague said that for the last three policy subjects up for discussion today, Forest Transactions, Acquiring Rights of Way, and Granting Rights of Way, the Department recommends expiring the current Forest Resource Plan policies. While all three are important elements of improving the productivity and manageability of the forest asset base, adequate policy direction comes from other sources that address management of all trust assets, not just forest assets. The Asset Stewardship Plan and Department policies focused on gaining or granting access to all Department managed assets provides sufficient policy direction. Additional policies in the Policy for Sustainable Forests would be redundant.

Chair Sutherland said that trying to make the policy as straightforward as possible would be ideal and he felt that expiring the policies was a great suggestion.

Mr. Nichols wanted to know if the blocking up policy was included in the Policy for Sustainable Forests.

Mr. Partridge said DNR had not been relying on a forest resource plan policy for pointing out the wisdom of pursuing that kind of exchange.

Ms. Bergeson asked what DNR did rely on.

Mr. Partridge explained that there are trust land transaction policies already in place so there isn't a need for a special forestland transaction policy.

Mr. Anderson said he agreed with Mr. Nichols that the public should know that one of the strategies is to consolidate holdings and block up land. He felt it should be added as a management strategy.

Mr. Partridge stated that he sensed the Board didn't want to eliminate the above-mentioned policies until other discussions met the Board's standard as far as communicating with the public.

Mr. Partridge concluded by thanking the Board for their suggestions and stated that these policies would be brought back to the Board in April with the suggested changes.

Recess for Executive Session at 12:00pm.

Meeting reconvened at 12:49pm.

Chair Sutherland asked if there was anyone else present wishing to make comment before the Board? Seeing none, hearing none.

Meeting adjourned at 12:51pm.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2005

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Doug Sutherland, Commissioner of Public Lands

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Bob Nichols for Governor Christine Gregoire

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Bruce Bare, Dean, University of Washington

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R. James Cook, Dean, Washington State University (Interim)

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Terry Bergeson, Superintendent of Public Instruction

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Ted Anderson, Commissioner, Skagit County

Attest:

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Sasha Lange, Board Coordinator